Capital Preservation Manifesto

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This document serves as a guide to those who want to preserve capital usually in highly volatile markets such as cryptocurrency, the purpose of this document is not exactly investment advice but is more so a general outline in regards to capital preservation that is meant to be loosely followed.

1. Never sell out of a successfull position completely, given the scenario in which you're up X% where X is a threshold your desired threshold - if you want to preserve capital and minimize risk selling your initial investment out (whether that's BTC or fiat) and letting the pure gains ride is the intelligent move.

2. Incremental sells on parabolic movements upward, along with the first principle it is also wise to make incremental sells on parabolic movements upwards - think the rise is too quick? Don't sell everything - sell incrementally on the rise and watch out for blow-off tops and pump and dumps.

3. If you're a long term hodler do not buy and sell on the news - the current news shouldn't have impact on your investment as long as the fundamentals still stand.

4. Buy incrementally on the dips - if you follow principle one you should always keep funds available to take advantage of opportunities in which the market dips and coins are down double digit percentages. **Never buy at a single price point. Spread the risk!**

5. Don't put too much faith into a single trading analysis of a chart by anyone "expert" or group, trading analysis isn't an exact science and although it may be correct in some cases it is better to look at multiple perspectives on the TA side as well as look at whether or not the fundamentals of the position still stand.

6. Before buying any coin it is intelligent to do a thorough fundamental analysis which includes looking at the team, github, roadmap, partnerships, and overall viability as well as uniqueness. This can often be a time consuming task and could require many hours of research.

7. Set stop losses or watch the market closely to know when to sell positions that are dropping too low. If you can't stomach large percentage losses it is wise to set up stop losses - many exchanges such as Binance and Bittrex support stop losses.

8. Always do a scam analysis - if a coin has elements of a ponzi scheme or has many people shilling referral links on Telegram and YouTube it is most likely not the best investment.

9. **Never make impulsive trades.** If things are dropping too low, too quickly it is most likely unwise to make any impulsive moves without giving thought. One could easily lose much capital in making impulsive moves.

10. Be very careful shorting or working on the margin. Margin trading is perhaps the most risky type of trading in cryptocurrency and it is easy for positions to get entirely liquidated on flash crashes - as was in the case of the Ethereum flash crash in 2017.